

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative Berfield offered the following:

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3 **Amendment (with title amendment)**

4 On page 31, line(s) 19 and 20,
5 remove: all of said lines,

6
7 and insert:

8 Section 4. Transitional provisions.--

9 (1) This section applies only to the Florida Hurricane
10 Catastrophe Fund's 2004-2005 contract year, and the option
11 provided in this section is available only if the selection is
12 made no later than June 1, 2004. The definitions in s. 215.555,
13 Florida Statutes, apply to the terms used in this section.

14 (2) Subject to the provisions of subsection (1), a
15 participating insurer writing covered policies shall have the
16 option, as specified in rules adopted by the board, of selecting

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17 an alternative contract provision that will operate in lieu of
18 the provision in s. 215.555(4)(c), Florida Statutes, as amended
19 by this act. Under the alternative contract provision, the
20 obligation of the board to such insurer shall not exceed the
21 insurer's share of actual claims-paying capacity of the fund,
22 subject to the limitation that for purposes of this section the
23 "claims-paying capacity of the fund" as to insurers selecting
24 the alternative contract provision is limited to an aggregate
25 limit of \$11 billion. This option is not available to any entity
26 created under s. 627.351, Florida Statutes.

27 (3) Nothing in this section shall be construed to provide
28 for additional claims paying capacity beyond the claims paying
29 capacity specified in s. 215.555(4)(c), Florida Statutes, as
30 amended by this act. The capacity of the fund is limited up to
31 the actual claims paying capacity provided in s. 215.555(4)(c),
32 Florida Statutes, and is not additive as a result of
33 participating insurers ability to select this option.

34 (4) Each insurer's projected payout shall be equal to the
35 insurer's share of the estimated premium which would have been
36 paid assuming all insurers selected this option, multiplied by
37 the claims-paying capacity limit as set forth in this section
38 subject to true-up provisions as set forth in the reimbursement
39 contract.

40 (5) As to each insurer choosing the alternative contract
41 provision option, the board shall calculate the retention
42 multiple for such insurer in an amount equal to \$4.866 billion
43 divided by the total estimated reimbursement premium for the
44 contract year, in lieu of the calculation provided for in s.

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45 215.555(2)(e)1., Florida Statutes. Total reimbursement premium
46 for the purposes of this calculation shall be estimated using
47 the assumption that all insurers have selected the option
48 provided herein and have selected the 90-percent coverage level.
49 The existence of this option shall not affect the estimation of
50 total reimbursement premiums as provided for in s.
51 215.555(2)(e)1., Florida Statutes.

52 (6) For those insurers that do not select this alternative
53 contract provision, each insurer's projected payout shall be
54 equal to the insurer's share of the estimated premium which
55 would have been paid assuming no insurers selected this option,
56 multiplied by the claims-paying capacity limit as set forth in
57 s. 215.555(4)(c)1., Florida Statutes, as amended by this act,
58 subject to true-up provisions as set forth in the reimbursement
59 contract.

60 (7) As to each insurer not choosing the alternative
61 contract provision option, the board shall calculate the
62 retention multiple for such insurer in accordance with s.
63 215.555(2)(e)1., Florida Statutes, as amended by this act,
64 divided by the total estimated reimbursement premium for the
65 contract year. Total reimbursement premium for the purposes of
66 this calculation shall be estimated using the assumption that no
67 insurers have selected the option provided herein and have
68 selected the 90-percent coverage level. This calculation shall
69 not affect the estimation of total reimbursement premiums as
70 provided for in s. 215.555(2)(e)1., Florida Statutes, as amended
71 under this act.

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72 Section 5. Except as otherwise provided herein, this act
73 shall take effect upon becoming a law.

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75 ===== T I T L E A M E N D M E N T =====

76 On page 1, line(s) 15, insert after the semicolon:
77 providing transitional provisions; providing application;
78 providing criteria, requirements, and limitations;